

**Between consultation and collective bargaining? The changing role of non-union employee representatives: a case study from the finance sector**

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# **Between Consultation and Collective Bargaining? The Ambiguous Role of Non-Union Employee Representatives: A Case Study from the Finance Sector**

Revised draft paper for Industrial Relations Journal

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# **Between Consultation and Collective Bargaining? The Changing Role of Non-Union Employee Representatives: A Case Study from the Finance Sector**

## **Abstract**

This article reviews the roles and activities of non-union employee representatives acting as forum officers in a large internet finance company. Currently there is little academic coverage concerning the representatives themselves including contributions to workplace employment relations, the representatives own motivations and orientations to their representative role and tasks, as well as to management and fellow employees. An important pre-condition to answering one of the main questions asked of such new representatives is whether such representation constitutes the foundation of some nascent trade unionism or whether by acting as forum representatives they are positioning themselves to support management agendas and outlook? The data from this article's longitudinal case study suggests that non-union representative' allegiances and roles remain ambiguous, existing as they do in the intersection between consultation and collective bargaining. An important factor may be the capacity for independent action by the employee representatives.

## **Between Consultation and Collective Bargaining? The Changing Role of Non-Union Employee Representatives: A Case Study from the Finance Sector**

This paper examines the emergence and development of employee representation at the greenfield site of a contact centre for a newly founded internet and telephone bank. While established by management at least in part to avoid the encroachment of trade union recognition, the representation which emerged, and the elected representatives, developed a sophisticated relationship with managers. While notionally based on consultation, relationship between representatives and managers has matured into a system of informal and formal discussions appearing strikingly similar to workplace collective bargaining. In the last decade or so a set of actors have become more prominent on the stage of UK employment relations, namely employee representatives whose role is independent of trade union and collective bargaining. While some representative bodies may have earlier pedigree, rooted in long established joint consultation (Marchington, 1994), others have grown out of recent changes in employment regulation. Significantly, growth in non-union representation is attributable to EU (European Union) Directives on the Information and Consultation of Employees (EU ICE) Regulations (EU, 2002; Storey, 2005). This may appear the foundation of a dual system of representation but there has been deliberate government avoidance of instituting any system of works council in the UK (Hall et al, 2011) and less of any extension to joint regulations of the employment relationship. A recent booklet from Acas notes that:

“around half of employee representatives in the UK are non-union. Their role tends to be much more restricted than that of their union counterparts, being limited in the main to consultation.” (Acas 2009, p.1)

This tentative estimate, drawing from WERS (Kersley, 2006), rests loosely on a range of diverse roles played by employee representatives, some linked and others unlinked, to established representative

institutions (see also DTI 2007). The DTI review of facilities for employee representatives estimates 350,000 workplace representatives equally divided between union and non-union representatives (NER). The review also offers a cost benefit analysis for the role of employee representatives in the UK:

that workplace representatives bring an identifiable range of benefits worth £476 million - £1,133 million annually, in addition to which there may be significant other gains from increased productivity. The costs to their employers of providing paid time off and facilities ranged between an estimated £407 million to £430.4 million annually. (DTI 2007 p. 9)

These benefits may be aggregated, studies have indicated a boundary between union and non-union representation; negotiation and collective bargaining has traditionally been seen as the very fundamental hallmark of union representation (Donovan, 1968) while non-union representation confined to information and consultation (Terry, 1999; Charlwood and Terry, 2007). The absence of union involvement of NER representatives, by definition, means that they do not have any specific duties attached to union membership. Unlike union representatives NERs do not engage in recruitment of membership or to maintain subscriptions.

While case evidence of these non-union employee representative bodies accumulates (e.g. Lloyd, 2001; Watling and Snook, 2003; Bonner and Gollan, 2005; Butler, 2005;) there is little concerning the representatives themselves, what they contribute to workplace employment relations, the representatives own motivations and orientations to their representative role and tasks, as well as to management and fellow employees. A move towards such an understanding would appear an important pre-condition to answering one of the main questions asked of such new representation; whether such representation constitutes the foundation of some nascent trade unionism or, as 'management puppets' which act as a barrier to it, as Cooper and Briggs (2009) put it in the context of the Australian experience, as 'Trojan horses' or 'vehicles for organising'. As well as other interest in Australia (Markey, 2007), this has also been of interest in North America (Taras and Kaufman, 2006), and elsewhere (Kaufman, and Taras 2000). –

## Methodology

Here we will be considering the activities of NERs, by tracing the development of employee representation arrangements at *Interbank*, a telephone and online bank operating through a contact centre. The longitudinal case study allows focus on 'critical incidents', informing understanding of the processes which led to particular outcomes principally by capturing the thoughts and feelings of employee representatives and other interviewees about such incidents (Chell, 2005).

Initial contact with *Interbank* employee representatives came at a seminar in 2004 discussing the implications of the imminent introduction of the ICE regulations into the UK. The first semi-structured interviews were conducted at the contact centre in 2005 with intermittent visits until July 2009. No visits have been made to the smaller sites, the London head office and a much smaller contact centre, from which the company operated during the period. There were eight formal visits in total which ranged in duration from a few hours to full days. During the visits we interviewed employee forums officers together with HR department members; we also shadowed forum officers on their normal activities, observed consultations, officers' involvement in a grievance hearing, and other day-to-day activity. Visits always involved a 'catch-up' on events since our last meeting, where there tended to be a focus by the representatives upon critical incidents of the recent period, although these discussions also allowed structured or semi-structured interviews to confirm the unfolding events at *Interbank*. One of the interviews conducted with the employee chair of the forums used the WERS employee representative questionnaire (WRQ) as the framework for questions. On a further six occasions informal discussions were held offsite where we were about to review recent events and developments. We also carried out interviews with the local union officer at Amicus principally to gain an understanding of attempts to introduce union recognition to the contact centre staff at the *Interbank* sites, but also to gain their perspective on *Interbank* representation. One group we were not able to formally approach for the research were the

ordinary employees of *Interbank* to understand and reflect upon their views on representation. Because of their high profile the employee forums have been incorporated within a number of other research studies, including a case study by an independent consultancy, some of which have used the company name. However we maintain anonymity of the company and the representatives – whose names we have changed for this account. This data, therefore, allows a longitudinal analysis of the maturation of *Interbank* system of employee voice and its representatives. In this we can explore the experience of employee representatives and representative forum that in other studies were often only captured as snapshot. Butler's (2009) study indicated that research on NER has shifted from a focus on how these 'managerially imposed' (p. 198) bodies, once initially seen as means of excluding trade union representation, are now being understood in terms of their contribution to market objectives. While we might accept that an increased maturity in research on NER is emerging, it might also indicate a gradual acceptance by employers of systems establishing employee cooperation (Gollan, 2007) alongside employees' acceptance of legitimacy of employers' practices and procedures. It is far from clear how this maturity occurs within the organisations deploying NER. In these accounts the actions and motives of the employee representatives remain undeveloped, presented as puppets of management without their own motive beyond an apparent deference to management. Our approach to this question allows the employee representative voice as active agent in forming and shaping the representative process. It also allows a more detailed exploration of the day-to-day activities of these representatives.

Table One gives an indication of the character of the *Interbank* Employee Forum and, particularly, of the three full-time representatives. In this we must note what Hyman (1997) indicates as the two different senses of 'representative', that while they may act as 'voice' for employees in the one sense, and particularly in terms of their age, they cannot be seen as representing "the main characteristics of the broader population" (p. 310) of *Interbank* employees where average age tended to be around mid to late twenties. Another point which differentiates these three

representatives from the broader population is their longevity of service; all three were appointed to *Interbank*, from other parts of the company, towards the establishment of the company and, therefore, by the last interviews, they had in total approximately a decade of employment at *Interbank*.

Our use of terminology differs from conventions in discussions concerning employment relations, stemming from difference in discussion of union and non-union representation. We refer to full-time officers as those – in this case three – employees of *Interbank* whose duties are solely concerned with a representative role. Much of this paper consists of examining what constitutes this role and how it emerged, since it is continually formally and informally renegotiated. When referring to the forum we mean the representative body and, in referring to ‘members’ we mean the elected representatives to this body. The latter clearly differs from the usual nomenclature for unionised workplaces.

**Table One: Full-Time Officers of the Interbank Employee**

|       |             |                        |
|-------|-------------|------------------------|
| Derek | Male, 60s   | Employee Chair (Chair) |
| Harry | Male, 40s   | Deputy Chair           |
| Sue   | Female, 50s |                        |

*Interbank CEO is formally the Chair of the Forum. It also has up to 13 further part-time representatives for defined sites and sections of employees within Interbank. Time for Forum duties from these employees is negotiable with line manager.*

The officers gave us access to copies of documentation, outlining and discussing their activities. One of the officers, usually Derek the employee chair, produced a ‘weekly update’ for circulation to members of the employee forum across *Interbank*. Meetings of all forum members as a body seem rare beyond the quarterly meetings held with the CEO. Spread sheets were kept by Derek and Sue, mainly accounting for their time to *Interbank*, indicating their specific activities. While Harry initially kept this record, the practice quickly lapsed. These records provide a very rich source of data and



form the basis, along with interviews, discussions of officer's activities in the second part of this paper. However these need to be placed in the context of broader factors that shaped the emergence of the particular employment relations at *Interbank*. Two key, interrelated, factors impacted on shaping representation beyond the requirements of changing regulation and the desire of management to exclude trade unions, these we might pose as the 'insecurity' factors. First, this covered the insecurity of employment at the *Interbank* call centre where high levels of staff turnover, represented a workforce more willing to exercise 'exit' than 'voice' (Hirschman, 1970; Freedman and Medoff, 1984), particularly when presented with an employment problem (see also: Taylor et al, 2002; Mulholland, 2004). This specific issue of staff turnover also had implications for *Interbank's* managerial hierarchy; the rapid promotion, and turnover, in management posts permeating all levels of hierarchy from CEO downwards. This issue also linked to a second area of instability, namely that of ownership. On the open market for much of the decade, *Interbank* experienced three changes of ownership. Each change heralded a new senior management – which itself changed more frequently than ownership – also some attempt at rationalisation and synergies with new parent companies.

### **The Founding of *Interbank* and the establishment of employee representation**

*Interbank* was a product of the deregulation of UK finance established by a major insurance company in 1998, which we shall refer to as *InsuranceCo*, in its diversification into financial services. *Interbank* was initially meant to be a separately branded telephone bank specialising in credit cards and personal savings; it soon transferred to online services in the inflated environment of the internet bubble. *Interbank* was floated on the London stock exchange in 2000 just as the dot-com bubble burst. While maintaining a base and small staff in its London head-office some staff and others were recruited, to its green-field contact centre established in the UK midlands. *Interbank* quickly established a reputation for its quirky and idiosyncratic approach to employment, as well as offering a wide range of financial products.

Given that *InsuranceCo* had a long established trade union recognition agreement Amicus, the union concerned, expected this to be extended to *Interbank*. As an HR Business Partner, transferred at start-up from *InsuranceCo*, explained:

What we had at (*InsuranceCo*) was a union which had a foothold ... (*InsuranceCo*), it's a very traditional organisation while *Interbank* is very, very vibrant and quirky. (HR) brought a lot of policies from (*InsuranceCo*) but simplified them. ... When the unions came in on the conversations here, (*Interbank*) was very, very firm and vigorous that there was no way they wanted a union here because they prided themselves on treating their people fairly anyway. ... So my boss told me very, very, quickly - I think I was given about 48 hours ... said 'I want some kind of forum. I don't care what it looks like, but I need something that will represent the people and I want it done quickly'.

Therefore the initial impetus for the establishment of an employee representative forum appeared totally congruent with the argument that it was instituted as a barrier to trade union recognition (Gall, 2005). Formally the forum met quarterly for what were referred to by one of the officers as "fireside chats" with the CEO. This clearly did not alleviate mounting problems for the workforce with complaints about working breaks as well as the general workplace environment. On one side the union continued campaigning for recognition at the contact centre, on the other the forum members felt marginal to the day-to-day decision making, restricted to issues of "sausages in the canteen, tea and toilets stuff" (Derek).

Every now and again we had a restructuring exercise when (*Interbank*) employees could lose their jobs. The (forum) were called in on a supporting role only. We were not consulted on redundancies, but only asked to comment. (Harry)

Employee grievances prompted a demonstration by Amicus outside the gates of the *Interbank* contact centre, which may have provoked the senior management and forum officers to consider the forums progress and remit. While some elements within senior management may have been anti-union this was not, at least initially, the case with forum officers. Early activity of the forum member's involved direct engagement with trade unions. Derek had served elsewhere as a union lay representative and he and Harry had maintained trade union membership.

(We) had no objection to Amicus coming on site and making representations to staff- we didn't think we could say no to Amicus. We were elected reps, but we did not have the ear of *Interbank* people and we felt that we could not speak for them. (Harry)

These views were echoed by the other forum officers, specifically that they were not trained for their roles and felt vulnerable to the threats posed by Amicus.

If Amicus were going to come in here then we needed to work with them on an equal footing. We almost needed to get ourselves tooled up in terms of knowledge and skills because we knew those guys would have more training and experience than we had. (Derek).

The forum members' role had become one of explaining management policy and its implications for affected employees, although "we realised that it needed to be ramped up" (Derek).

The forum member claimed that one of the possibilities, not objected to by senior management, was to work towards union recognition. The union officer certainly thought that they had such an agreement all but signed. However, while accounts are rather unclear, it seems that some members of the forum were increasingly discontent with the union approach. Specifically they did not want to be relegated to membership recruitment for the union; recruitment was not a role they had to perform although they did speak to new employees at induction. All *Interbank* employees were notionally represented by the forum without subscription. At one of the meetings with the CEO Derek and Harry, at the time only part-time members of the forum, proposed a changing and more active role for the forum and each was given an eight month secondment to work on the idea, secondments that, were to "organically default into full-time rep" (Harry) positions.

The outcome for the forum, as well as acquiring two full-time officers in Derek and Harry – shortly with Sue as a third – was an independent budget for the forum and greater independence from management and the HR Department. To attempt to bridge the training gap they first developed links with the TUC Partnership Institute although later drifting to the Involvement and Partnership Association. Their constitution, hurriedly drawn up by HR and based on that for *InsuranceCo* EWC, was replaced by a set of 'commitments' to *Interbank* 'people' and the organisation was put in place.

These commitments identify the forum as the only mechanism through which employees are informed and consulted on operational workplace issues; the introduction outlines the forum objectives as *“to increase the level of employee involvement in changes and business initiatives which affect employees using effective consultation”*. Therefore, the forum never identified itself with negotiation or bargaining. The commitments document also incorporates a mission statement including themes of *‘representing the voice of all (Interbank) people, to make working life great and help drive superior business results’*. Since the change in early 2003 the forum and its officers have developed an individual and collective remit including involvement in salary structures, restructuring, employment – or ‘people’ - initiatives, communications, terms and conditions, bonus payments, flexible working and disciplinary matters.

### **Forum Representatives: Roles and Activities.**

Surprisingly little is known about the actual activities of employee representatives. In the 1960s and 1970s, a period synonymous with the expansion and formalisation of union shop floor role (Hyman, 1979) a number of studies were carried out (Lover, 1976; Nicholson, 1976; Partridge, 1977) which reinforced a view that they are principally engaged in collective bargaining as “talkers rather than writers” (McCarthy, 1966, p. 10], that:

The most time-consuming duty of stewards is negotiating with foremen and managers. Next come discussions with constituents or other stewards, followed by various formal meetings. The consistency of the pattern is more remarkable than the minor variations from union to union. (Clegg et al, 1961, p. 180]

In contrast, a study in the 1980s based on twelve weeks of shop steward diaries concludes that stewards are “administrators not negotiators” (Schuller and Robertson, 1983), the main time spent with management was in consultation or related to individual or group casework (p339). Significant time was also taken in trade union activity, both recruitment and in branch and steward meetings.

While studies have examined long term unionisation in the banking industry (Allen and Williams, 1960) or more recent changes (Storey et al, 1997), or the changing role of the bank worker (Burton, 1991), currently literature overlooks the particular role of employee representatives in the finance

sector. Recent review of workplace representatives' facilities and time carried out by the, then, Department of Trade and Industry (DTI 2007; also Kersley, 2006) analysis, differentiates between union, non-union, and stand-alone representatives with union representatives being allocated significantly more time for their duties than the other two types although little is detailed as to what this time is allocated to (BERR 2007). Some recognition is given to particular roles – in Information and Consultation, Equality, Health and Safety, Learning Representatives, etc. – which are seen as discrete and independent of a more generalist 'shop steward' role and to individual and collective representation.

Table Two: *Hours spent by Full- Time Forums Officers on Classified Duties*

|                            | Relation<br>ship<br>Building | Relationship<br>Maintenance | Awareness/<br>Context<br>Setting | Strategy<br>&<br>Planning | Communic<br>ations | Collective<br>Consultation | Individual<br>Represent<br>ation |
|----------------------------|------------------------------|-----------------------------|----------------------------------|---------------------------|--------------------|----------------------------|----------------------------------|
| <b>2004/05</b>             | 114.8                        | 146.3                       | 159.75                           | 371.5                     | 86.5               | 199                        | 344                              |
| <b>2005/06</b>             | 105                          | 163                         | 341                              | 569                       | 148                | 162                        | 576                              |
| <b>2006/07</b>             | 127                          | 255                         | 190                              | 462                       | 74                 | 159                        | 458                              |
| <b>Monthly<br/>Average</b> | 17.74                        | 29.62                       | 36.96                            | 71.69                     | 15.98              | 27.97                      | 74.51                            |

Table Two indicates the self-reported activity by two, and sometimes three, full-time non-union representatives at *Interbank*. The categories are their own and aggregated from monthly breakdown. Given that occasionally Harry, the third officer does contribute, or that one of the other two may not submit, then little definitive can be drawn from the data. However the assembling of such detailed data on activities, along with the clear resistance of one of the officers, might be seen as indicative of the performance culture at *Interbank*. The remainder of this section explores these categories using the weekly updates produced by the forum full-time officers and from accounts with representatives in semi-structured interviews. Some of the categorisation employed needs to

be first explored before describing what might be viewed as more conventional individual and collective representation processes.

## Role and Activities of Interbank Employee Representatives

### *Relationship Building and Maintenance*

Central to the philosophy of the forums and its officers was the concern with 'relationships', the commitments document, in the section specifically focussed on employee-management relationships cites:

'All (*Interbank*) UK managers to be briefed and encouraged to acknowledge the forum's value for their departments. Forum reps are to attend meetings for information and input.'

The notion of 'relationship' was clearly consistent with the rhetoric of a company where customer service is referred to as 'relationship development' and where 'conversations' occur but, in our experience, rarely advanced beyond discussions, let alone formal negotiation. These processes epitomise at least the ideal of social engagement, as one of the representatives put it:

"If you have a relationship you don't always make an arrangement every month to see your mum." (Derek).

Much of the officer's time was spent in these 'conversations' and meetings with different managers, from the regular meetings with the CEO downwards. The weekly update catalogued the frequency of such meetings, as for example:

"(Sue) spent a large part of her time this week maintaining relationships with various managers, people leaders and departments. Sharing information in regular meetings, with Health and Wellbeing, the Contact Centre people leader ... helps us all, I believe, to understand what is actually happening in the business. From (a forums) point of view this always helps us to explain to (*Interbank*) people, the situations and business decisions." (Weekly Update January 2006).

Similar developments of 'relationship' emerged with individuals or organisations outside of *Interbank*. To some extent, the establishment of relationships formalised the forum's legitimacy and

that of its officers, the latter formed a working relationship with the CEO, a pattern they sought to engender with all managers. However the reasons why 'relationship building' was separated in the data from 'maintenance' in part legitimacy. The site suffered from high levels of labour turnover with annual rates varying from around ten to forty per cent dependent on broader circumstances. Turnover - or attrition - rates were recorded by the weekly update report and at various times forum officers were in consultation over finding some means to reduce it. Employee turnover issues involved considerable effort from forums officers with managers, and weekly reports record continual attempts at relationship building meetings with new or problematic managers. Traditional collective bargaining requires workplace trade unions to spend considerable time policing the resultant agreements. By contrast the 'relationship approach' attempted to embed consultation at all levels of the *Interbank* hierarchy, and in the absence of written agreement, required the officers to establish and sustain these relationships especially with a high level of management turnover.

The attrition rate had other important consequences. Given the overall profile of employees, those promoted were likely to be relatively young and inexperienced. The local union official commented that the *Interbank* HR policies and procedures were very good although problems emerged because of the inexperience of employees promoted into lower ranks of the hierarchy. This mismatch of early promotion with a lack of workplace experience led forum officers into many of the individual cases they covered. In contrast, forum officers were older and more experienced than most managers, essentially outside of the normal *Interbank* hierarchy, with often a more thorough knowledge of procedures and practices than the HR Department.

### *Awareness and Context Setting*

'Awareness' was an important issue for the representative officers and forums, both in terms of advertising their existence and working as a two way conduit of information between management and 'people' because, unlike for workplace unionisation, there is no membership and therefore no recruitment role for the forum. However, officer's needed to establish their activities and roles

within the corporate environment and context. Effort was also expended by representatives into constructing an independent identity from management across the organisation. Initially this was the acquisition of their own symbols: a banner about the forum identifying their location in the open-plan contact centre and an officers' sweatshirt. Officers also contributed to the induction process making new staff aware of the existence of their representation roles and the employee forum. They also held 'awareness days' where full and part time officers were available in each of the sites to talk to employees – "Interbank people" - about forums activities as well as 'context', for example, what was happening within 'Interbank'. These 'awareness days' were held in public spaces near to cafes and restaurants on site where 'people' were likely to pass. Awareness days appeared in the forums weekly updates with any important outcomes in addition to communications across the company, typically:

Thanks to all those who were able to participate in the awareness day on Wednesday. We had several points raised that we have been able to resolve. Overall, it appears that there is a very good awareness of (the forums); we will need to concentrate more now on what we do and what we have achieved. (April 22<sup>nd</sup> 2005)

Clearly, these awareness raising roles and activities promoted the forums and its officers beyond a symbolic or cosmetic presence.

### *Strategy and Planning*

Another important activity for the representatives and forums was 'strategy and planning', yet it emerged as the most ambiguous as it was represented by the use of 'we'. Used interchangeably to refer to both the company and the forum, officers often referred to what 'we' are doing and it was difficult to identify whether they were talking about *Interbank* or forum strategy, or even if they differentiated. Strategy and planning therefore referred to two quite distinct activities; first, the development of strategy and also future planning for the forum itself. This confusion could create tensions between representatives and senior management as concerns were sometimes raised by forum officers about their response to specific corporate changes. Second, consultation and information channels managed by *Interbank* became difficult to maintain often triggered by general



*Interbank* strategy and exacerbated by the changing ownership. Significant time was spent from the outset by the full-time officers in developing identity, at least an appearance of it, and their own independence from senior management. Forum officers responded to the frequent changes in CEO each heralding potential crisis through withdrawal of management patronage; a new CEO's might the chair of the forums or worse withdraw patronage to employee forums members with loss of legitimacy and even role for the officers.

### ***Communications***

Closely related to both 'awareness' and 'strategy' was what officers categorised as 'communication'; where officers presented communications sessions at important junctures during the forums development. A feature of *Interbank* was presentations by senior management to involving the forum advising them about any changes to senior management personnel and company strategy. To some extent the forums officers attended to glean information, but often in communication sessions they had already been involved in prior 'discussions' or 'conversations' with senior management.

One example from a weekly update read as follows:

There have been three communications sessions this week ... outlining the changes to the Technology leadership team. (Harry) and (Derek) attended the meetings that were well received by those in attendance." (July 14<sup>th</sup> 2006)

The attendance of the forums officers itself was perhaps intended to legitimate any decisions that were communicated in these sessions.

### ***Individual Representation***

The most time consuming activity for the forum officers concerned individual casework, particularly discipline and grievance procedures. We were given access to a database created by the officers covering these activities from 2004 to 2007. This data was cross referenced with the more anecdotal reference to casework as outlined in the weekly updates. Within the discipline and grievance procedure, forum officers attended disciplinary hearings with both managers and a representative from HR. Forum officers did not play an adversary role, as might be expected of a trade union

officer, but only monitored fairness and process. If advocacy was required then officers might even direct accused employees towards trade union representation. Extensive time might be taken outside the hearing itself in giving assistance or guidance on procedure and preparation. Table 3 records 125 hearings although a few cases may be replicated as several hearings may be held:

**Table 3: Disciplinary Hearings Attended by Forums Officers**

|                           | Hearings | Appeals |
|---------------------------|----------|---------|
| <b>2004</b>               | 30       | 10      |
| <b>2005</b>               | 33       | 5       |
| <b>2006</b>               | 50       | 16      |
| <b>2007 (Jan – March)</b> | 12       |         |

The database includes probation reviews where problems perhaps of employee misconduct and gross misconduct arose. The cases cover wide ranging issues expected in any workplace, especially where age profile is for younger workers. Officers tended to see those employees who were disciplined as transgressors unable to adjust to work regulations after – or in fact alongside – student life. For example, in one case an employee, who had been on sick leave, was known to be attending University at the same time. Some incidents related specifically to *Interbank* status as financial institution and contact centre; incidents were recorded involving e-mail or internet usage. More direct fraud seems to have occurred, with employees accessing accounts or unauthorised use of systems or miss-selling of products. A few incidents were documented where employees were disciplined for call avoidance or rudeness to customers.

### ***Collective Consultation***

While one of the initial reasons for the establishment of the forum may have been union avoidance, its remit was also intended to comply with information and consultation regulations. For example,

the forum was consulted by senior management on redundancy and TUPE arrangements. The forums representatives' 'relationship' with these managers, according to the commitments document, also included the rights to "facilitate consultation on any development in particular areas or sections of (*Interbank*)":

A local manager thinking about changing shift patterns comes to talk to us about – this is what my plan is, this is what I'm thinking; what do you think about it? Can I have your input on this?" (Derek)

In many respects, and despite this being low in rating of activities, consultation could be considered for forum officers as *the* defining activity - in the same way as collective bargaining is for trade unions. However one of the most intriguing aspects of our data concerns the possible drift from consultation to bargaining. Consultation occurred between forum officers and management on a wide range of HR policies and practices. Here the situation appears very similar to that outlined in '*FinanceCo*' examined by Butler (2009) where another non-union forum has been established with a full time officer:

"the total corporate portfolio of around 30 HR policies, from whistle-blowing and criminal activities outside work to pensions and aspects of pay, were subject to review on an annual rotating basis by each of the councils, the whole process coordinated centrally by HR. ... the final ratification to HR policy is made at the policy forums, a body which affords council representatives access to key decision makers." (Butler, 2009, p. 205)

While the *Interbank* forum does not engage in bargaining, the consultation on 'reward' policy appears to move in that direction with other characteristics of more traditional employment relations. For example, as the weekly update (March 4<sup>th</sup> 2005) suggested:

"(Harry) met up with Reward this week. The flexible benefits package which (*Interbank*) is considering is up for review ... then the package will go out to wider consultation. (The employee forums) will be included of course. During the meeting the subject of overtime in the Contact Centre was raised. Reward feels strongly that it is currently excessive given that some Associates are now earning (with bonus included) up to 30K pa. They feel that given as (*Interbank*) is looking to keep costs "flat" excessive overtime is not in service of the game.... They are looking to question the validity and fairness moving forward, especially since other areas of (*Interbank*) have apparently "overtime bans" in place."

After a takeover by a large multinational bank as well as the recent finance crash, the officers in a group catch-up interview indicated a move to a more formalised approach to relations at *Interbank*.

After the takeover by a USA based bank, '*MultiParent*', many of the policies were re-examined:

We were consulted over car policy. The usual thing would be that we have a conversation outlining the car policy. We go through it ... "*MultiParent*" doesn't have company cars and are going to have to do something about that. (*MultiParent*) are not going to manage a fleet. ... So they were going to do something to compensate people. So we had that process and we went through it, the decision was made ... we got reasonable change of process for people with cars. But it wasn't really documented and it wasn't minuted and our proposals weren't documented so there was no record.... We started to be asked questions "Can we see the minutes of those consultations", and we realised then that actually we need to get more formal. So now when we have formal consultations, even formal conversations, every consultation is minuted, it's documented, it is open and the people will see our proposal going in. Although we still want option base consultation now it could be argued that you slip almost into negotiation. (Harry).

While relations often remained informal between forum representatives and senior management there was also an element of formalisation; one of the officers differentiated between 'informal conversations' and 'formal consultation'. While this may be the impact of dealing with changing management regimes and cultures, there were also indications of a 'bargaining' approach. Further examples were outlined:

"The business wanted to buy folks out of their bonus rights and they put a proposal for 6%. We put a counterproposal for 7 ½ per-cent with a whole bunch of bells and whistles on it. Of the four of five tenets that we put forward they went with three including the 7 1/2 per-cent rather than the six per-cent. Now is that negotiation? Is that consultation?" (Harry)

While officers claimed that "we would never use the N word" there was, we suggest, ambiguity in the activity they were engaged in.

### **Non-Union Employee Representatives at Interbank: An Ambiguous Role**

Unlike many of the non-union consultation forums that have been examined elsewhere (Charlwood and Terry, 2007) the officers at *Interbank* developed a deliberate and sustained engagement with senior management at all levels. This engagement was extended beyond parochial - 'sausages in the canteen' issues (Dundon and Rollinson, 2004; Butler, 2005; Gollan, 2003). It is clear that

employee representation was established by senior management to both comply with ICE regulation and to exclude trade union recognition. However analysis of the employee forum as it developed, and particularly the role and activities of its officers, indicates a far from static institution. In practice it is difficult to understand the evolution and development of the forum without its officers' actions. While these may be decisive they are also deeply ambiguous. In the final section, we explore these ambiguities in relation to trade unions, to management, and to '*Interbank* people' i.e. the employees they represent.

### *Trade Unions*

Two forum officers, Derek and Harry, remained members of Unite following their transfer from *InsuranceCo* on the establishment of *Interbank*. While they blocked mass recruitment by the union on site for collective representation they seemed, occasionally, to recommend union membership for individual cases. Officers also engaged with trade unions over issues such as collective redundancies, not uncommon in the turbulence of ownership and frequent rationalisation of *Interbank*. More generally amongst the officers there was a feeling that the very language and approach of the unions, who they sometimes symptomatically referred to as 'the brothers', were alien to the language and culture of *Interbank* with the notions of 'bargaining' and 'agreements' both bureaucratic and fundamentally at odds with the informality of *Interbank*.

### *Relationships with Senior Management*

Perhaps the most ambiguous relationship was that with senior management. On the one hand the officers realised that their position was based ultimately on the patronage of Senior Management and particularly of the CEO. In the continued uncertainties of *Interbank* life, change of CEO – change that occurred on average about every two years and sometimes more frequently – presented a critical period of attempted 'relationship building' with a new incumbent and perhaps management team. High turnover generally meant such transience occurred at all management levels requiring continual establishment and maintenance of relationships with more junior and often inexperienced

managers. This notion of 'relationship' was central to the approach of the forum and its officers.

Derek contrasted this approach with that of conventional employment relations:

When a trade union has challenged us 'you've got no partnership agreement in place, you've got no procedural agreement' my own view is it doesn't matter. Take the wedding contract for instance, you've both signed it but if the relationship breaks down the paper means nothing. It's the relationship first and foremost.

Despite the closeness to senior management the forum sought to construct its own independent identity distinct from management within and beyond the contact centre and the confines of *Interbank* (see also Butler, 2005). While 'relationships' predominated and the forum concentrated on consultation over integrative issues rather than distributive ones (Charlwood and Terry, 2007) these appeared to become more formalised perhaps taking on many of the characteristics of bargaining.

### *With the 'people'*

The average age of employees was in the mid-twenties, with an attrition rate up to 40%, a career expectation of around two or three years. Many left within the first weeks of employment. For many it was first employment after leaving University. In this context, the three full-time officers were unrepresentative of the typically younger '*Interbank people*' and being more than twice the average age of other colleagues, having enjoyed long careers within the finance sector and – in two cases – transferred from *InsuranceCo*. all worked at the contact centre from its beginning. To a large extent, this very longevity gave a cachet with management who, almost invariably, were also younger and less experienced in the procedures and culture of the company. Further, officers' independence from the formal, or perhaps informal, hierarchy of *Interbank* legitimised their relationship building and dominated consultations with management on policies and procedures. Most ambiguous of all the officers were the 'voice' of 'the people' but not an aggregation of that voice if anything seeing themselves acting in a form of *in-loco parentis* and providing advice and assistance in times of employee needs.

## Conclusion

We pointed to the insecurity of the work environment at Interbank. Finally this led to the termination of longitudinal research and perhaps of the forum itself. In terms of our research the takeover by *ParentCo*, coinciding also with the financial crash, meant that access to the contact centre and the officers became more difficult. While officers boasted survival and perhaps the capacity to introduce employee voice into an alien environment, at the same time suspicions seemed to rise. The last visit occurred after the crash in early 2010. Perhaps this was symptomatic of other changes which were being planned by *ParentCo*. *Interbank* went through one of its frequent rationalisations. Harry, heir apparent to Derek as employee chair, left *Interbank* as one of the redundancies. The rationalisation itself may have been the precondition of the break-up of *Interbank* again put on the market with closure of the contact centre and the accounts split between two separate buyers and we are uncertain as to whether the employee voice arrangements survived.

We argue that these forum officers were beholden to senior management and reliant upon their patronage. However, the officers exercised influence by engaging with strategy and operations at *Interbank*. First, they ultimately resisted the recognition of a trade union, fearing the forum would become subsumed by a larger representative movement. This showed they were not to be viewed as a nascent trade union at *Interbank*, but aspired to play a significant and permanent role in *Interbank's* employee representation strategy. Second, the officers reflected other forums, and particularly some European Works Councils, in that they initially had few rights, but then broadened their remit with management's acquiescence (Lecher et al, 2001; Knudsen et al, 2007). These policies saw forum offices developing their own profiles and roles within *Interbank*, for example, they channelled information to employees and advised them over issues pertaining to operational issues such as discipline and grievance. These activities maintained a working relationship with senior management and employees alike, and in return the officers were permitted autonomous

control of budgets and time-management. Officers acquired increased levels of legitimacy, by, for example, achieving positive results over bonus payments and car policy - representative functions which might be categorised as delivering expected results for employees (see Hyman, 1997; ). In acquiring company knowledge and applying this to continually develop their commitments programmes, they formally briefed and then interacted with three newly arrived CEO's; these processes facilitated the forums formal presence in the architecture of *Interbank*, and it also ensured the officers avoided the 'knowledge' deficits excluding representatives from company planning seen elsewhere ( see Whittall et al, 2009). Third, by attachment to their roles and activities they presented a new and purposeful identity to senior management, primarily seen when they articulated employee demands and aspirations to senior management (see Hege and Dufour, 1995).

The officers recognised that limitations existed over influence. The officers did not attempt to destabilise 'relationships' with senior management or employees, but instead their chosen policy of consultation rather than collective bargaining or negotiation maintained their presence as one constant in an ever-changing employment scenario. The example here is that NERs can co-exist with management, but are likely to be more successful if they adopt policies which facilitate communication and consultation, rather than insisting upon equality through collective bargaining. The data from this article's longitudinal case study suggests these particular NER's allegiances and roles remain ambiguous, existing as they do in the intersection between consultation and collective bargaining. Any change to this position in UK workplaces is likely to demand representatives gaining access to a more stable power bases within organisations and movements towards the sharing of decision-making with senior management. The circumstances and environments where this may be found, and whether this can be a permanent state of affairs, would be fruitful areas for further research.



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